

HOUSE BILL NO. 41

INTRODUCED BY J. WITT

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS GOVERNING DEDICATED REVENUE AND STATUTORY APPROPRIATIONS; ~~STATUTORILY APPROPRIATING TIMBER HARVEST FUNDS TO SCHOOLS FOR TECHNOLOGY ACQUISITION; STATUTORILY APPROPRIATING HARD-ROCK MINING IMPACT TRUST ACCOUNT RESERVES TO COUNTIES; PROVIDING FOR THE DEPOSIT OF PROCEEDS FROM THE SALE OF PROPERTY USED IN THE THEFT OR TRANSPORTATION OF STOLEN LIVESTOCK IN THE STATE GENERAL FUND; PROVIDING FOR THE DEPOSIT OF PENALTIES FOR VIOLATIONS OF THE METAL MINES RECLAMATION LAWS IN THE STATE GENERAL FUND; PROVIDING FOR THE DEPOSIT OF STATE SCHOOL FUND REVENUE INTO A SUBFUND OF THE STATE GENERAL FUND; PROVIDING FOR THE DEPOSIT IN THE STATE GENERAL FUND OF PROCEEDS FROM THE SALE OF PROPERTY USED IN THE THEFT OR TRANSPORTATION OF STOLEN LIVESTOCK; PROVIDING FOR THE DEPOSIT OF STATE SCHOOL FUND REVENUE~~ TIMBER HARVEST FUNDS IN THE STATE SPECIAL REVENUE FUND; ~~STATUTORILY APPROPRIATING TIMBER HARVEST FUNDS TO SCHOOLS FOR TECHNOLOGY ACQUISITION; ELIMINATING THE REQUIREMENTS FOR REVIEWS OF DEDICATED REVENUE PROVISIONS AND STATUTORY APPROPRIATIONS BY THE LEGISLATIVE FINANCE COMMITTEE; AMENDING SECTIONS 17-7-502, 20-9-343, 20-9-534, 81-5-110, 81-5-111, AND 82-4-311~~ 17-1-505, 17-1-508, 17-7-502, 20-9-342, 20-9-343, ~~AND 20-9-534, 81-5-110, AND 81-5-111, AND 90-6-331~~, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~Section 1.~~ Section 17-7-502, MCA, is amended to read:

~~"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.~~

~~(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:~~

1 ~~—— (a) The law containing the statutory authority must be listed in subsection (3).~~

2 ~~—— (b) The law or portion of the law making a statutory appropriation must specifically state that a~~
3 ~~statutory appropriation is made as provided in this section.~~

4 ~~—— (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901;~~
5 ~~5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706; 15-31-702;~~
6 ~~15-34-115; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404;~~
7 ~~16-1-406; 16-1-411; 17-3-106; 17-3-212; 17-3-222; 17-6-101; 17-7-304; 18-11-112; 19-3-319;~~
8 ~~19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107;~~
9 ~~20-9-534; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;~~
10 ~~23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623;~~
11 ~~53-6-703; 53-24-206; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-505; 80-2-222;~~
12 ~~80-4-416; 80-11-518; 81-5-111; 82-11-161; 87-1-513; 90-3-1003; 90-6-331; 90-6-710; and 90-9-306.~~

13 ~~—— (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing;~~
14 ~~paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued~~
15 ~~pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of~~
16 ~~Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as~~
17 ~~determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the~~
18 ~~bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to~~
19 ~~sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for~~
20 ~~supplemental benefit; pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1,~~
21 ~~2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of~~
22 ~~19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability~~
23 ~~is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1,~~
24 ~~2014; and pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710~~
25 ~~terminates June 30, 2005.)"~~

26

27 ~~—— **Section 2.** Section 20-9-343, MCA, is amended to read:~~

28 ~~—— **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term~~
29 ~~"state equalization aid" means revenue as required in this section for:~~

30 ~~—— (a) distribution to the public schools for the purposes of payment of systems development and~~

~~other related costs resulting from the enactment of legislation that requires changes to the automated system used to administer the BASE funding program, guaranteed tax base aid, BASE aid, state reimbursement for school facilities, matching funds for the systemic initiative for Montana mathematics and science grant, and grants for school technology purchases;~~

~~—— (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 per a biennium; and~~

~~—— (c) the Montana educational telecommunications network as provided in 20-32-101.~~

~~(2) The superintendent of public instruction may spend throughout the biennium funds appropriated for the purposes of systems development and other related costs resulting from the enactment of legislation that requires changes to the automated system used to administer the BASE funding program, guaranteed tax base aid, BASE aid for the BASE funding program, state reimbursement for school facilities, negotiated payments authorized under 20-7-420(3), the Montana educational telecommunications network, and school technology purchases.~~

~~—— (3) The following must be paid into the state general fund for the public schools of the state:~~

~~—— (a) (i) subject to subsection (3)(a)(ii), interest and income money described in 20-9-341 and 20-9-342; and~~

~~—— (ii) an amount of money equal to the income money attributable to the difference between the average sale value of 18 million board feet and the total income produced from the annual timber harvest on common school trust lands during the fiscal year to be, which is statutorily appropriated, pursuant to 20-9-534, to be used for the purposes of 20-9-533;~~

~~—— (b) investment income earned by investing interest and income money described in 20-9-341 and 20-9-342."~~

~~Section 3. Section 20-9-534, MCA, is amended to read:~~

~~"20-9-534. School technology purchases. By September 1, the superintendent of public instruction shall allocate the annual amount appropriated for grants for school technology purchases to each district based on the ratio that each district's BASE budget bears to the statewide BASE budget amount for all school districts multiplied by the amount of money provided in 20-9-343(3)(a)(ii) in the current school year. The grants for school technology purchases are statutorily appropriated, as provided in 17-7-502."~~

~~Section 1. Section 81-5-110, MCA, is amended to read:~~

~~"81-5-110. Sale at public auction -- retention of property. (1) Vehicles, equipment, and personalty forfeited under 81-5-109 may be sold at public auction in the manner of sales of personal property under execution and may be sold by any sheriff, livestock inspector, or other peace officer.~~

~~(2) The department may retain the vehicles, equipment, and personalty forfeited under 81-5-109 for official use by the department, including personnel training. If the department retains forfeited property that it determines to be suitable for everyday use by department personnel, the department shall reduce similar property purchases accordingly.~~

~~(3) Money forfeited under 81-5-109 must be placed in the special revenue account created in 81-5-111(2) for use by the department for personnel training or enforcement purposes deposited in the state general fund."~~

~~Section 2. Section 81-5-111, MCA, is amended to read:~~

~~"81-5-111. Disposition of proceeds -- special revenue account. (1) After deducting the expenses of retaining the vehicle, equipment, or personalty and the cost of the sale, the officer making the sale or the department, if it retains the vehicle, equipment, or personalty, shall pay all liens to the extent that the balance of sale proceeds permit, according to the lien priorities that are established by intervention or otherwise. A lien must be bona fide and have been created without the lienor having any notice or reasonable cause to believe that the vehicle, equipment, or personalty was being or was to be used for the theft or illegal transportation.~~

~~(2) There is an account in the state special revenue fund. The proceeds from the sale of vehicles, equipment, and personalty provided for in 81-5-110 must be deposited in the account, are statutorily appropriated, as provided in 17-7-502, and must be used by the department for personnel training or enforcement purposes state general fund."~~

~~Section 3. Section 82-4-311, MCA, is amended to read:~~

~~"82-4-311. Hard-rock mining and reclamation account. (1) All fees, fines, penalties, and other uncleared money that has been or will be paid to the department under the provisions of this part must be placed deposited in the state special revenue fund in the state treasury and credited to a special account that is designated as the hard-rock mining and reclamation account. This account is available to~~

the department by appropriation and may be expended for the research, reclamation, and revegetation of land and the rehabilitation of water affected by any mining operations. Any unencumbered and any unexpended balance of this account remaining at the end of a fiscal year does not lapse but must be carried forward for the purposes of this section until expended or until appropriated by subsequent legislative action.

~~———— (2) All fines and penalties collected under this part must be deposited in the state general fund."~~

~~———— Section 7. Section 90-6-331, MCA, is amended to read:~~

~~———— "90-6-331. Fund transfer. Prior to each October 31, all money segregated by county in the hard-rock mining impact trust account following allocation to the hard-rock mining impact trust reserve account established in 90-6-304(2) as of September 30 immediately preceding must be transferred to the county for which the funds have been held in deposit. The transfer of funds to the county is a statutory appropriation, as provided in 17-7-502. The funds transferred must be deposited in the county hard-rock mine trust reserve account established in 7-6-2225."~~

SECTION 1. SECTION 17-1-505, MCA, IS AMENDED TO READ:

"17-1-505. Review of dedicated revenue provisions. ~~(1) Each interim, the legislative finance committee shall review dedicated revenue provisions based upon procedures established under subsection (4) and the principles of revenue dedication set forth in 17-1-507 to ensure that legislative policy is clearly stated.~~

~~(2)(1)~~ The legislature recognizes that dedicated revenue provisions are subject to review by:

(a) the office of budget and program planning in the development and implementation of the executive budget and analysis of legislation;

(b) the legislative fiscal division in analyzing the executive budget;

(c) the legislative services division in drafting legislation;

(d) the legislative auditor in auditing agencies; and

(e) the department of administration in performing the functions provided for in 17-2-106 and 17-2-111.

~~(3)(2)~~ To avoid unnecessary use of dedicated revenue provisions, the entities listed in subsection ~~(2)~~ (1) shall, in the course of current duties, consider the principles in 17-1-507 and the criteria listed in

1 this subsection for each new or existing dedicated revenue provision. A dedicated revenue provision should
2 not give a program or activity an unfair advantage for funding. The expenditures from a dedicated revenue
3 provision must be based on requirements for meeting a legislatively established outcome. Statutorily
4 mandated programs or activities funded through dedicated revenue provisions from general revenue
5 sources must be reviewed to the same extent as programs or activities funded from the general fund. The
6 use of a dedicated revenue provision may be justified if it satisfies one or more of the following:

7 (a) The program or activity funded provides direct benefits for those who pay the dedicated tax,
8 fee, or assessment, and the tax, fee, or assessment is commensurate with the costs of the program or
9 activity.

10 (b) The use of the dedicated revenue provision provides special information or other advantages
11 that could not be obtained if the revenue were allocated to the general fund.

12 (c) The dedicated revenue provision provides program funding at a level equivalent to the
13 expenditures established by the legislature.

14 (d) The dedicated revenue provision involves collection and allocation formulas that are appropriate
15 to the present circumstances and current priorities in state government.

16 (e) The dedicated revenue provision does not impair the legislature's ability to scrutinize budgets,
17 control expenditures, and establish priorities for state spending.

18 (f) The dedicated revenue provision results in an appropriate projected ending fund balance.

19 (g) The dedicated revenue provision fulfills a continuing, legislatively recognized need.

20 (h) The dedicated revenue provision does not result in accounting or auditing inefficiency.

21 ~~(4) The committee shall establish procedures to facilitate a biennial review and evaluation of~~
22 ~~dedicated revenue provisions.~~

23 ~~— (5) Upon completion of the review, the committee shall report a summary of its findings to the~~
24 ~~legislature, including its recommendation of termination or extension, with or without modification, of the~~
25 ~~dedicated revenue provision."~~

26
27 **SECTION 2. SECTION 17-1-508, MCA, IS AMENDED TO READ:**

28 **"17-1-508. Review of statutory appropriations.** ~~(1) Each interim, the legislative finance committee~~
29 ~~shall, based upon procedures established pursuant to subsection (5), review statutory appropriations that~~
30 ~~are contained in the sections listed in 17-7-502 to eliminate those that no longer fulfill a legislative need~~

1 ~~and to ensure that legislative policy is clearly stated concerning the use of statutory appropriations.~~

2 ~~(2)(1)~~ Each biennium, the office of budget and program planning shall, in development of the
3 executive budget, review and identify instances in which statutory appropriations in current law do not
4 appear consistent with the guidelines set forth in subsection ~~(3)~~ (2).

5 ~~(3)(2)~~ The review of statutory appropriations must determine whether a statutory appropriation
6 meets the requirements of 17-7-502. A statutory appropriation from a continuing and reliable source of
7 revenue may not be used to fund administrative costs. In reviewing and establishing statutory
8 appropriations, the legislature shall consider the following guidelines. A statutory appropriation may be
9 considered appropriate if:

- 10 (a) the fund or use requires an appropriation;
- 11 (b) the money is not from a continuing, reliable, and estimable source;
- 12 (c) the use of the appropriation or the expenditure occurrence is not predictable and reliable;
- 13 (d) the authority does not exist elsewhere;
- 14 (e) an alternative appropriation method is not available, practical, or effective;
- 15 (f) other than for emergency purposes, it does not appropriate money from the state general fund;
- 16 (g) the money is dedicated for a specific use;
- 17 (h) the legislature wishes the activity to be funded on a continual basis; and
- 18 (i) when feasible, an expenditure cap and sunset date are included.

19 ~~(4)(3)~~ The office of budget and program planning shall prepare a fiscal note for each piece of
20 legislation that proposes to create or amend a statutory appropriation. It shall, consistent with the
21 guidelines in this section, review each of these pieces of legislation. Its findings concerning the statutory
22 appropriation must be contained in the fiscal note accompanying that legislation.

23 ~~(5) The legislative finance committee shall establish procedures to facilitate a biennial review and~~
24 ~~evaluation of statutory appropriations. Upon completion of the review, the committee shall report a~~
25 ~~summary of its findings to the legislature, including a recommendation for terminating, extending, or~~
26 ~~modifying the statutory appropriations reviewed."~~

27

28 **SECTION 3. SECTION 17-7-502, MCA, IS AMENDED TO READ:**

29 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
30 appropriation is an appropriation made by permanent law that authorizes spending by a state agency

1 without the need for a biennial legislative appropriation or budget amendment.

2 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
3 with both of the following provisions:

4 (a) The law containing the statutory authority must be listed in subsection (3).

5 (b) The law or portion of the law making a statutory appropriation must specifically state that a
6 statutory appropriation is made as provided in this section.

7 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901;
8 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706; 15-31-702;
9 15-34-115; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404;
10 16-1-406; 16-1-411; 17-3-106; 17-3-212; 17-3-222; 17-6-101; 17-7-304; 18-11-112; 19-3-319;
11 19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107;
12 20-9-534; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;
13 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623;
14 53-6-703; 53-24-206; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-505; 80-2-222;
15 80-4-416; 80-11-518; ~~81-5-111~~; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

16 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
17 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
18 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
19 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
20 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
21 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to
22 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
23 supplemental benefit; pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1,
24 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of
25 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability
26 is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1,
27 2014; and pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710
28 terminates June 30, 2005.)"

29

30 **SECTION 4. SECTION 20-9-342, MCA, IS AMENDED TO READ:**

1 **"20-9-342. Deposit of interest and income money by state board of land commissioners.** The state
2 board of land commissioners shall annually deposit the interest and income money for each calendar year
3 into A SUBFUND OF the state ~~general~~ special revenue ~~GENERAL~~ fund for state equalization aid by the last
4 business day of February following the calendar year in which the money was received."

5
6 **SECTION 5. SECTION 20-9-343, MCA, IS AMENDED TO READ:**

7 **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term
8 "state equalization aid" means revenue as required in this section for:

9 (a) distribution to the public schools for the purposes of payment of systems development and
10 other related costs resulting from the enactment of legislation that requires changes to the automated
11 system used to administer the BASE funding program, guaranteed tax base aid, BASE aid, state
12 reimbursement for school facilities, matching funds for the systemic initiative for Montana mathematics
13 and science grant, and grants for school technology purchases;

14 (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 ~~per~~ a biennium; and

15 (c) the Montana educational telecommunications network as provided in 20-32-101.

16 (2) The superintendent of public instruction may spend throughout the biennium funds
17 appropriated for the purposes of systems development and other related costs resulting from the
18 enactment of legislation that requires changes to the automated system used to administer the BASE
19 funding program, guaranteed tax base aid, BASE aid for the BASE funding program, state reimbursement
20 for school facilities, negotiated payments authorized under 20-7-420(3), the Montana educational
21 telecommunications network, and school technology purchases.

22 (3) The following money must be ~~paid into the state general fund~~ deposited in the state special
23 revenue fund PAID INTO A SUBFUND OF THE STATE GENERAL FUND for the public schools of the state as indicated:

24 (a) (i) subject to subsection (3)(a)(ii), interest and income money described in 20-9-341 and
25 20-9-342 ~~must be paid into the state equalization aid account~~; and

26 (ii) an amount of money equal to the income money attributable to the difference between the
27 average sale value of 18 million board feet and the total income produced from the annual timber harvest
28 on common school trust lands during the fiscal year ~~to be~~ must be paid into TO the school technology
29 account IN THE STATE SPECIAL REVENUE FUND, which is statutorily appropriated, pursuant to 20-9-534, to be
30 used for the purposes of 20-9-533;

(b) investment income earned by investing interest and income money described in 20-9-341 and 20-9-342 ~~must be paid into the state equalization aid account.~~"

SECTION 6. SECTION 20-9-534, MCA, IS AMENDED TO READ:

"20-9-534. School technology purchases. By September 1, the superintendent of public instruction shall allocate the annual amount ~~appropriated~~ for grants for school technology purchases to each district based on the ratio that each district's BASE budget bears to the statewide BASE budget amount for all school districts multiplied by the amount of money provided in 20-9-343(3)(a)(ii) in the ~~current school~~ prior fiscal year. The grants for school technology purchases are statutorily appropriated, as provided in 17-7 502."

SECTION 7. SECTION 81-5-110, MCA, IS AMENDED TO READ:

"81-5-110. Sale at public auction -- retention of property. (1) Vehicles, equipment, and personalty forfeited under 81-5-109 may be sold at public auction in the manner of sales of personal property under execution and may be sold by any sheriff, livestock inspector, or other peace officer.

(2) The department may retain the vehicles, equipment, and personalty forfeited under 81-5-109 for official use by the department, including personnel training. If the department retains forfeited property that it determines to be suitable for everyday use by department personnel, the department shall reduce similar property purchases accordingly.

(3) Money forfeited under 81-5-109 must be ~~placed in the special revenue account created in 81-5-111(2) for use by the department for personnel training or enforcement purposes~~ deposited in the state general fund."

SECTION 8. SECTION 81-5-111, MCA, IS AMENDED TO READ:

"81-5-111. Disposition of proceeds -- ~~special revenue account.~~ (1) After deducting the expenses of retaining the vehicle, equipment, or personalty and the cost of the sale, the officer making the sale or the department, if it retains the vehicle, equipment, or personalty, shall pay all liens to the extent that the balance of sale proceeds permit, according to the lien priorities that are established by intervention or otherwise. A lien must be bona fide and have been created without the lienor having any notice or reasonable cause to believe that the vehicle, equipment, or personalty was being or was to be used for

1 the theft or illegal transportation.

2 (2) ~~There is an account in the state special revenue fund. The proceeds from the sale of vehicles,~~
3 ~~equipment, and personalty provided for in 81-5-110 must be deposited in the account, are statutorily~~
4 ~~appropriated, as provided in 17-7-502, and must be used by the department for personnel training or~~
5 ~~enforcement purposes~~ state general fund."

6

7 NEW SECTION. SECTION 9. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 41 AND SENATE BILL NO. 495
8 ARE BOTH PASSED AND APPROVED, THEN:

9 (1) [SECTION 1(1)] OF SENATE BILL NO. 495 MUST READ AS FOLLOWS:

10 "(1) As used in [sections 1 through 3], "distributable revenue" means, except for that portion of
11 revenue described in 20-9-343(3)(a)(ii), 77-1-607, and 77-1-613, 95% of all revenue from the
12 management of school trust lands and the permanent fund, including timber sale proceeds, lease fees,
13 interest, dividends, and net realized capital gains."

14 (2) [SECTION 3(1)] OF SENATE BILL NO. 495 MUST READ AS FOLLOWS:

15 "(1) There is a guarantee account in a subfund of the state general fund. The guarantee account
16 is intended to stabilize the long-term growth of the permanent fund and to maintain a constant and
17 increasing distributable revenue stream. All realized capital gains and all distributable revenue must be
18 deposited in the guarantee account. Except as provided in subsection (2), the guarantee account must
19 be distributed to school districts through the basic and per-ANB entitlements."

20

21 NEW SECTION. Section 10. Effective date. [This act] is effective July 1, 2001.

22

- END -